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BOARD OF SUPERVISORS
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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

March 22, 2006

Mr. Jay Shapiro
Fennemore Craig P.C.
3003 N. Central Avenue
Suite 2600
Phoenix, Arizona 85012

Dear Mr. Shapiro:

The Gila County Board of Supervisors has been informed that on February 21, 2006, you directly questioned the role and legitimacy of Harry D. Jones to represent the interest of our Board of Supervisors and our Pine property owners during the procedural conference held by Judge Dwight Nodes related to the 2005 Water Supply Alternatives Report of the Pine Water Company.

You are well aware our citizens and vacant lot owners, who wish to build on their properties, are customers of the Pine Water Company. They have for years been subjected to (a) moratoriums on new water meters, (b) inadequate service in terms of water outages and severe use restrictions, and (c) periodic excessively high water bills caused by your clients being required to haul water into the service areas. Due to these service deficiencies of the Pine Water Company, (especially in light of the fact that the water improvement districts we have approved in Pine have been able to find and develop adequate water resources and to provide adequate services for their customers), our Board and operating departments are confronted with the above mentioned concerns on a daily basis.

Our concern with adequate long term water resources is substantial and we will continue to participate in this Alternative Report analysis until it is resolved by your client.

Mr. Jones is our representative and we expect his December 6, 2005, formal response to your client's Alternatives Report and the responses of others, who were completely ignored by your December 23rd letter to the Commission, will ultimately be given due consideration by the Pine Water Company and the Commissioners.

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It is outrageous that you would make such a careless charge against Mr. Jones and our Board relating to Mr. Jones' request to the Commission to hold a hearing to discuss the positions of other responders and to clarify the disputed facts within the Alternative Report.

This is especially bothersome to our Board since the Commission's Decision No. 67823 issued May 5, 2005, clearly required that the Pine Water Company to: "commence an analysis and discussion with all affected entities and stakeholders, including Staff, ADEQ, ADWR, SRP, Payson, PSWID, and Gila County, to develop long-term permanent solutions to the chronic water shortage issues in Pine, Arizona areas." This important Commission requested input and the factual presentations of these entities, including Gila County, should not be ignored by the Company or the Commission!

Sincerely,



Steven L. Besich
County Manager

SLB/sw

cc: Robert Hardcastle, President
Brooke Utilities
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